



May 21, 2014

TIME SENSITIVE INFORMATION

TO: TCRC SERVICE PROVIDERS

SUBJECT: MINIMUM WAGE INCREASE

Due to the enactment of Assembly Bill 10, minimum wage in California will increase to \$9.00 per hour, effective July 1, 2014. Regional center vendors that are affected by this change may be eligible to receive a rate adjustment in order to pay employees the new minimum wage. This letter contains information on the types of vendors that are affected and the process for submitting rate adjustment requests.

All providers of services with rates established in the following ways may be eligible for a rate adjustment:

Rates set by the Department of Developmental Services (DDS):

- Work Activity Programs and Community-Based Day Programs (service codes 505, 510, 515, 520, 525, 805, and 954) – Providers of these services may request a rate adjustment from DDS if any employees are paid less than \$9.00 per hour. More detailed information can be found on the DDS website at www.dds.ca.gov/MinWage.
- Community Care Facilities (service codes 905, 910, 915 and 920) – The proposed Alternative Residential Model (ARM) rate schedule, effective July 1, 2014, can also be found through a link on www.dds.ca.gov/MinWage. Since this schedule will be adjusted with approval of the State budget, providers with ARM rates do not need to submit rate adjustment requests.
- In-Home Respite Agencies (IHRAs) (service code 862) - DDS will revise the rates for all IHRAs and will provide regional centers with copies of the revised rate letters to IHRAs.

Rates established in regulation:

- In-Home Respite Workers (service code 864), Voucher and Participant-Directed Respite (service codes 420 and 465) – The new rate for these services, effective July 1, 2014, is \$11.88 per hour.
- Non-Mobile Supplemental Staffing – The supplemental rate for Community-Based Day Programs will increase to \$1.08 per hour.

Rates set by regional centers through negotiation:

Rates for a variety of services are set through negotiation between providers and regional centers, including median rate programs. Providers with rates set in this manner may negotiate a rate adjustment with the regional center if any employees are paid less than \$9.00 per hour. The rate adjustment must be specific to the unit of service that is affected by the new minimum wage and shall only include those costs necessary to increase an employee's actual hourly wage to the new \$9.00 per hour minimum wage rate and associated mandated employer costs, such as Social Security, Medicare, and workers' compensation.

If you have a negotiated or median rate for your program and will be requesting a rate adjustment to comply with the minimum wage increase, certain information must be provided to TCRC. For purposes of this process, a program is a single regional center vendor number and service code combination. Therefore, the information you provide must be separate for each program under the specific vendor number and service code combination. Regional centers are required to maintain documentation on the process to determine, and the rationale for granting, any rate adjustment associated with the minimum wage increase.

All providers requesting minimum wage adjustments, with rates set by TCRC through negotiation, may request rate adjustments by completing information in a Minimum Wage Calculation Workbook. Please refer to the following information which is posted on the Service Providers page of TCRC's website (www.tri-counties.org) and TCRC's e-Billing home page:

- Vendor Worksheet Instructions
- Vendor Minimum Wage Increase Calculation Worksheet
- Summary & Certification Instructions
- Vendor Summary & Certification Sheet

This workbook must be used by providers to submit rate adjustment requests to TCRC. Detailed instructions are contained in the tabs that precede the worksheets. Vendors can submit rate adjustment requests at any time but they must be submitted no later than September 2, 2014. Final approval of any rate adjustments is contingent upon approval of the 2014-15 State budget and will be effective July 1, 2014.

The "Submit" button on the Vendor Summary & Certification Sheet should automatically send the workbook to TCRC. If this function does not work, you may email completed workbooks to:

David Shon, Resource Development Analyst
minwage@tri-counties.org

After an adjusted rate is confirmed, TCRC will send you a rate confirmation which will be effective July 1, 2014.

If you have questions please e-mail David Shon at minwage@tri-counties.org.